

1 Add 2 Cal. Code Regs. Section 18702.6 as follows:

2 **§ 18702.6. Governmental Decision: Segmentation.**

3 (a) An agency may segregate a decision in which a public official has a financial
4 interest, to allow participation by the official, provided all of the following conditions
5 apply:

6 (1) The decision in which the official has a financial interest can be broken down
7 into separate decisions that are not inextricably interrelated to the decision in which the
8 official has a disqualifying financial interest;

9 (2) The decision in which the public official has a disqualifying financial interest
10 is segregated from the other decisions;

11 (3) The decision from which the public official is disqualified is considered first
12 and a final decision is reached by the agency without the disqualified official's
13 participation in any way; and

14 (4) Once the decision in which the official is disqualified has been made, the
15 disqualified public official's participation does not result in a reopening of, or otherwise
16 financially affect, the decision in which the official was disqualified.

17 (b) For purposes of this regulation, decisions are inextricably interrelated when,
18 among other things, one decision is a necessary condition precedent, condition
19 subsequent, or alternate to the other, or the result of one decision will effectively
20 determine or nullify the result of another.

21 (c) Budget Decisions and General Plan Adoption or Amendment Decisions
22 Affecting an Entire Jurisdiction: Once all the separate decisions related to a budget or
23 general plan affecting the entire jurisdiction have been finalized, the public official may

1 participate in the final vote to adopt or reject the agency's budget or to adopt, reject, or
2 amend the general plan, so long as the budget or general plan is not modified at that time.

3 COMMENT: This regulation implements the segmentation principle outlined in the
4 Commission's opinion *In re Owen* (1976) 2 FPPC Ops. 77.

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6 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87103,
7 Government Code.
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